

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2112 - HB 2175

February 23, 2020

SUMMARY OF ORIGINAL BILL: Makes various changes regarding banks and financial institutions, including but not limited to:

- Removes the requirement that merging state banks shall provide stockholder notice of a meeting by way of a newspaper publication.
- Removes certain requirements for out-of-state banks to establish or acquire branches in Tennessee.
- Removes certain residency requirements for bank directors.
- Removes the requirement that the each incorporator of a bank merger or acquisition must submit their name, address, and zip code.
- Decreases, from permanently to seven years, the length of time that a bank must maintain certain records.
- Removes the requirement that a subpoena from the Department of Financial Institutions (DFI) would permit furnishing records for a federal agency.
- Authorizes a bank to remove a joint owner from a multiple-party deposit in certain situations.
- Requires documentation for funds deposited into an account held by spouses if the funds are to be held by a tenancy in entirety.
- Removes the sunset provision of the Elderly and Vulnerable Adult Financial Exploitation Prevention Act.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014929): Deletes and replaces language of the original bill such that the only substantive changes is to remove certain residency requirements for bank directors, if the Commissioner of DFI waives that necessity based on the business experience and ability of the proposed director.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the DFI, none of the changes of this proposed legislation are estimated to change the number or value of fines assessed by the DFI.
- The Elderly and Vulnerable Adult Financial Exploitation Prevention Act does not significantly impact DFI or the Department of Human Services.
- Any updates made to procedure and policy, and notifying banks of such changes are estimated to be absorbable within existing staff and resources.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This legislation may result in both increased and decreased expenditures for private businesses in Tennessee; the overall net impact is estimated to be not significant.
- Any net impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/abw